

**RTO PRODUCT LIABILITY | REMEMBER SEPTEMBER: APRO'S CONVENTION RECAP**

**APROFILE: JOHN DARDEN, COMING AROUND AGAIN**

# **PROGRESSIVE** **Rentals**

THE OFFICIAL VOICE OF THE RENT-TO-OWN INDUSTRY | OCTOBER-NOVEMBER 2006

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PRO BALL TO THE LOCAL  
HIGH SCHOOL TEAMS**

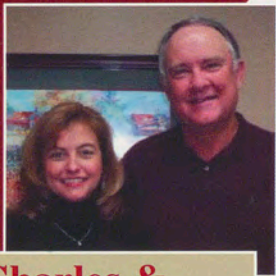
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*As former accountants, my wife Holley and I know a good deal when we see one. In 1991, we left thriving accounting practices to begin again in RTO. And what began as a casual conversation with a friend at a fish fry grew to eight independent RTO stores in five years.*



**Charles & Holley Hobbs**

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*more inventory to keep up with our customers' needs and wanted the support of a national ad campaign and brand name to compete in the competitive RTO climate.*

*So we did our homework. We knew that ColorTyme provided 100 percent inventory financing which would allow us to expand inventory quickly and provide loaners free of charge to customers with an immediate need.*

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**Bruce Emory**

*In my 20 years in RTO I have learned that finding the right company*

*and people that believe in you is as important as determination and hard work.*

*My career in RTO started in 1986, by way of a temporary job when I was just 20 years old. Dedication to my work lead to quick success and opportunity. But in 1992, when I approached my company to become a franchisee, the door of opportunity closed – I wasn't taken seriously.*

*So I did it on my own, with the help of my family, and built a solid business over the next 10 years. For a time, we had eight stores but were limited financially – unable to carry the big ticket items my customers wanted. In the summer of 2005, I decided to streamline the business down to our top three performing stores and in November of 2005, converted to ColorTyme.*

*Now we have access to Rent-A-Center's financial power and product pricing and ColorTyme's training programs – which are some of the most intensive in the industry. We have seen a dramatic turn in our stores and staff and can plan for significant growth which used to be beyond our reach.*

*Sales are up 5.3% and revenue is up over 10% since the conversion. Equally as important, we have the continued, hands-on support from Bob Bloom, Pat Sumner and all the folks at ColorTyme who made the transition easy and the inventory available for our customers.*

*People, financing, product and training – four reasons I know I have found the right company – for myself, my family and my team.*

*Bruce Emory, Franchisee*

*Like so many of us in the RTO industry, I've been in this business a long time – working in many roles with several companies since 1988. I guess you could say that*

*RTO is in my blood. I love what I do—I love our customers and always wanted to have my own store. So in 2002, I opened up Big House Rentals and watched our independent store grow. By October 2005, I needed more inventory but didn't have near enough capital to get the job done.*

*I considered several franchises, but ultimately was drawn to ColorTyme for their 100 percent inventory financing program – including a nice discount on my franchise fee based on my RTO experience. Almost overnight, I had access to the inventory I needed and complete support from the ColorTyme team.*

*Today, my business is thriving! I count my decision to convert my store to ColorTyme as one of the best choices I've made. And while change is good, some things have changed very little. I still run my store like a family business and I intend to keep it that way.*

*Joe Huck, Franchisee*



**Joe Huck**



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# PROGRESSIVE RENTALS

OCTOBER-NOVEMBER 2006

## 28 | RTO AND SPORTS

Smart rent-to-own companies are discovering that sports branding can increase name recognition, improve a company's image and be a forum for attracting new customers. Find out more about this winning combination for the RTO industry.

BY RICHARD MAY

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Every now and then, catastrophic events occur that involve rental products. Though rare, these kinds of events haunt every merchant. When things go badly wrong, injured parties generally sue everyone who is even remotely connected to the incident. We offer a primer on what rental dealers can do to be as prepared as possible when bad things happen.

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## APRO now offers an exclusive health insurance program to members

**T**he Association of Progressive Rental Organizations has partnered with Trustmark Affinity Markets and Integrated Insurance to provide an exclusive health insurance program for its members. The program offers discounted rates, group buying power, more than 40 networks of participating doctors and the advantage of a claims-stabilization fund. Any profit from the program will go into this fund and can be used to help stabilize rates in the future. Member companies can choose from a variety of plans, with deductibles ranging from \$500 to \$2,000. Another key benefit is the exceptional service and association experience for which Trustmark is known. Trustmark has been in the association business for more than 50 years and APRO member companies who participate in this program will have dedicated teams to serve them. Member companies with more than 50 employees also will be able to take advantage of customized reporting—a feature that is typically available only to companies with more than 200 employees. APRO members can contact Bob Scott or Kent Miller at 309/686-3737 for more information.

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# news

## B R E A K

COMPILED BY  
DEE DEE YELVERTON  
AND RICHARD MAY

## Schumer introduces Rent-to-Own Reform Act

**O**n September 29, New York Senator Charles Schumer introduced Senate Bill 4037, the *Rent-To-Own Reform Act of 2006*. The Association of Progressive Rental Organizations is committed to working with Schumer and others in Congress to bring about fair and just federal legislation that will be beneficial for consumers and fair to the rent-to-own industry.

“Our mission is to educate members of Congress on the ben-

efits of our transaction for consumers and the importance of a vital rent-to-own industry in the national economy,” says Bill Keese, APRO’s executive director. “We have the utmost respect for all of our elected officials and the hard work they perform on behalf of all constituencies. We reject the opinions of those who don’t understand the political process or appreciate the talents of our elected leaders.”

The introduction of this legislation could be a precursor for the introduction of similar legislation in the next session.

Schumer, a Harvard Law School graduate, is



the senior senator from New York state and is in his second term in the U.S. Senate. He is part of the Democratic leadership team appointed by Senate Democratic leader Harry Reid. He is currently a member of the Senate Banking Committee, Committee on Banking, Housing and Urban Affairs, Judiciary Committee and the Rules Committee.

For 26 years, APRO has led the industry in promoting rent-to-own in Congress, in state legislatures and with the public at large.

## Pennsylvania Rental Dealers Association to reorganize

Rent-to-own dealers from Pennsylvania met September 22 during the 2006 APRO Convention and Buying Show in Orlando, Florida, and voted to reorganize the state association. Tony Craig of RentWay says the group decided that it was “time to be a proactive organization.” APRO will work to help the group reorganize. James MacAlpine of RentDirect Nationwide assured APRO that his company would help in any way it can with the reorganization. Also attending were



Rich Bagoly, David Jones and Sandi Whited, all Premier Rental-Purchase franchisees.

### **APRO requests corrections in Department of Defense report**

On September 11, APRO sent a letter to the Department of Defense officially requesting the correction of inaccuracies related to the rent-to-own industry

in a published DOD report. "We sent a letter to the Department of Defense expressing our disappointment over the misleading and inaccurate portrayal of the rent-to-own industry based on incorrect statements in the report," says Bill Keese, APRO executive director. "We've asked the department to correct them."

The premise of the department's report is that certain businesses located around military bases

threaten the effectiveness of the military by subjecting unwary service members to various abuses, which ultimately trap them "in a cycle of debt." Any representation in the report to suggest rent-to-own as a contributor to this is inaccurate and misleading since rent-to-own transactions are not credit sales as defined under the *Truth-In-Lending Act*. Rent-to-own transactions are terminable at will by the consumer and thus there is no obligation and

no debt. The full text of the letter can be found in the member section of the APRO Web site at [www.rtohq.org](http://www.rtohq.org).

### **Oklahoma Rental Dealers Association elects officers, plans legislative conference**

Members of the Oklahoma Rental Dealers Association elected officers and planned their first-ever state legislative conference during their annual meeting at the Cherokee Casino and Resort in Tulsa, Oklahoma, September 26 and 27.

The officers are:

- ▶ President: Randy Braucher, Stanley's Get it Today (re-elected);
- ▶ Vice president: Robbie Lewis, Rent-A-Center;
- ▶ Secretary: Dale Frederick, Bargain Center, Inc. (re-elected); and
- ▶ Treasurer: Craig Stanley, Stanley's Get it Today (re-elected). Nationwide South-

## **New APRO board members elected**

**A**t the annual APRO membership meeting held during the 2006 Convention and Buying Show in Orlando, Florida, nine candidates were elected to the APRO board of directors. These board members will serve staggered two-year terms, joining the other board members who were elected last year and are now serving the second year of their two-year terms. At a board meeting held during the convention, APRO's 2006-07 officers were elected. The new officers are:

- ▶ President: Larry Carrico, SKC Enterprises, Mt. Vernon, Illinois;
- ▶ First vice president: Ernie Lewallen, UHR Rents, Cincinnati, Ohio;
- ▶ Second vice president: Mark Windsor, National TV Sales and Rental, Lebanon, Missouri;
- ▶ Secretary: David P. David, Full-O-Pep Appliances, Bloomington, Indiana;
- ▶ Treasurer: Terry Beville, Buddy's Home Furnishings, Tampa, Florida; and
- ▶ Immediate past president: Shannon Strunk, Baber's, Pascagoula, Mississippi.

The newly elected board members are:

- ▶ Robert Briley, Rent City, Abilene, Texas;
- ▶ Sidney Burton, Hometown Rent To Own, Sault Sainte Marie, Michigan;
- ▶ "Tiger" John Cleek, Cleek's Lease or Own, Columbia, Missouri;
- ▶ Chris Korst, Rent-A-Center, Plano, Texas;
- ▶ Gary Romine, Show-Me Rent-to-Own, Farmington, Missouri;
- ▶ Richard Rose, RTO Inc., Norfolk, Virginia;
- ▶ Mike Talley, Talley Rents, Hurst, Texas; and
- ▶ Geron Vail, FAN Sales & Leasing, Jonesboro, Arkansas.



ORDA officers Randy Braucher, Dale Frederick, Robbie Lewis and Craig Stanley

west buying group and RentDirect Nationwide provided rooms and meals for all attending, and High Touch Inc. sponsored the reception. Other vendors at the meeting included DSI Systems Inc., EHP Direct, Accord Human Resources and Benefit Marketing Solutions.

During the business meeting, ORDA voted unanimously to hold its first-ever state legislative conference next spring at the state capital in Oklahoma City. During the afternoon meeting, vendors gave presentations explaining what was new and improved among their products and services. Dealers who stayed until the end won prizes donated by DSI Systems, Inc. and EHP Direct.

## Rent-A-Center joins APRO

Rent-A-Center, the largest company in the industry, has joined APRO.

"I want to thank [Rent-A-Center's] Mark Speese, Mitch Fadel and Chris Korst for examining all APRO has to offer its members, both large and small," says APRO Immediate Past President Shannon Strunk. "This is great news for APRO and our industry!"

"I would like to offer my warmest thanks to the management team of Rent-A-Center—namely

Mark Speese, Mitch Fadel and Chris Korst—for their efforts and dedication to this industry and their common interest with APRO members," says Ernie Lewallen, APRO's first vice president. "Mark and his team truly recognize the value of APRO membership and the need to stick together as an industry in tough times as well as good times. I look forward to our membership interaction with the new Rent-A-Center. We should all look forward to a great future together."



## What's new on RTOHQ.ORG

- ▶ APRO launched its rent-to-own photo gallery in September, just in time for enhanced coverage of the 2006 Convention and Buying Show. Visit [rtohq.org](http://rtohq.org) and click on the gallery icon in the top right of the homepage to see photos from the convention and other rent-to-own events. Contact Dee Dee Yelverton ([dyelverton@aprovision.org](mailto:dyelverton@aprovision.org)) at APRO if you would like to share photos of your RTO event.
- ▶ Listen to industry news and interviews with rent-to-own professionals via APRO's new webcasts. The current playlist for the APROcasts includes an interview with newly elected APRO President Larry Carrico and conversations with Dennis Shields of TRIB Group, James MacAlpine with RentDirect and Ernie Lewallen, APRO's first vice president. Check the Web site for the complete playlist and stay tuned for updates.

## Rent-n-Roll's Sutton a "power player" in *Dub* magazine

The October 2006 issue of *Dub*, billed as America's number one automotive lifestyle magazine, includes a four-page article and photo spread of Larry Sutton, founder of the explosively popular Rent-n-Roll Custom Wheels and Tires. Rent-n-Roll was named in August as one of the five fastest-growing wheel and tire chains in America by *Tire Business*.

## NOVEMBER 2006

14  
CAL-APRO California Compliance Seminar, Ontario Convention Center, Ontario, California. For more information, contact Paul Davis, 951/453-1625.

## JANUARY 2007

8-11  
Consumer Electronics Show 2007, Las Vegas, Nevada, 703/907-7600

10-13  
Tupelo Furniture Mart Winter Market, Tupelo, Mississippi, 662/844-1473

15-18  
Premier Rental-Purchase Annual Dealer Convention, Miami, Florida. For more information, contact Trooper Earle, 800/2-PREMIER.

19-23  
ColorTyme Winter Operations Meeting, DFW Hyatt Regency, Dallas, Texas. For more information, contact Rhonda Davis, 972/403-4945.

29-February 2  
Las Vegas Market Winter Furniture Market, Las Vegas, Nevada, 888/416-8600

## FEBRUARY 2007

4-5  
Texas Association of Rental Agencies 2007 Legislative Conference, Stephen F. Austin Hotel, Austin, Texas. For more information, contact Vicky Hale, 817/539-0500

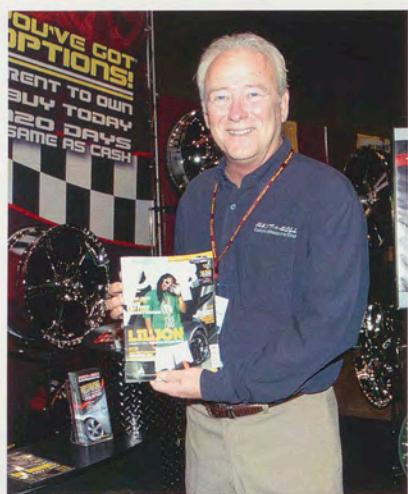
4-7  
Rent-n-Roll Annual Franchise Meeting, Saddle Brook Resort, Tampa, Florida. For more information, contact Larry Sutton, 813/977-9800

6-8  
Rent One Annual Meeting, Drury Plaza, St. Louis, Missouri. For more information, contact Kris Lowe, 618/242-8448, ext. 218.

## NEWS BREAK

Sutton's passion for what he does is evident, in part, by the impressive custom wheels and tires that he and his family sport on their own vehicles.

The *Dub* spread features a photo of Sutton's Hummer H2 Lux series with 24-inch Dropstars DS01 wheels wrapped in Nitto 315/50R24 All Terrain Terra Grapplers. The layout also includes photos of Sutton and his family at their home in Florida and the color-matched GFG Klessig wheels on his wife's 2007 BMW.



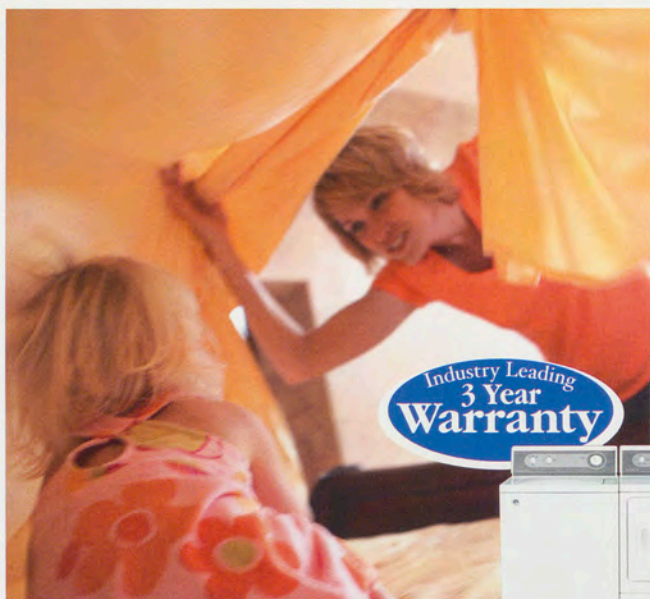
Sutton, one of the most well known rent-to-own industry professionals, was awarded the APRO 2006 Ernie Tal-

ley Lifetime Achievement Award at the 2006 APRO Convention and Buying Show in Orlando, Florida on September 23.

Sutton is pictured with his copy of *Dub* at the 2006 APRO Convention and Buying Show September 21. See the full story and photos starting on page 152 of the October 2006 issue of *Dub*.

## New APRO credit/debit card service aims at saving members thousands

To help members with their credit/debit card and check processing fees, APRO has teamed with Moneris Solutions to provide its members with a new card program that offers premium service and exclusive rates. Due to the increased use of credit and debit cards by rent-to-own customers, APRO saw the need to implement a new money-



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saving program for RTO dealers.

RTO companies are reporting credit/debit card usage as high as 12 percent to 15 percent or more and growing every year.

"We are excited to work with an outstanding organization like APRO and offer its members our very best



prices and service," says Gregory A. Leos, Moneris senior vice president for national sales. "Moneris realizes that businesses don't want to have to worry about how to accept electronic payments in their stores. We look forward to helping APRO members simplify the confusing myriad of rates and fees that they might see today."

"I am excited about the opportunity to offer APRO members a benefit that we've not enjoyed before," says Geron Vail, president of FAN Sales & Leasing and APRO board member. "What Moneris brings to the table is a very competitive process-

Association of Progressive Rental Organizations

## RTO EMPLOYEE DISASTER

Rent-to-own families helping families of rent-to-own

## RELIEF FUND

In 2005, members of the Association of Progressive Rental Organizations contributed more than \$190,000 to help rent-to-own employees get back on their feet after the devastation caused by hurricanes Katrina and Rita. The rent-to-own community helped 159 employees recover from these natural disasters. Unfortunately, natural disasters have become all too common. The rent-to-own industry must be ready to help whenever a natural disaster occurs that affects our family of employees.

To address such needs, APRO has established a permanent disaster relief fund: RTO [Relief To Our] Employees Disaster Relief Fund. Every dollar raised will go directly to rent-to-own employees in need. RTO Employees Disaster Relief Fund organizers are asking every rent-to-own company owner to implement a voluntary payroll-deduction plan within his/her company—suggesting a small donation per month from each employee. We ask that each company match its employees' monthly contributions. APRO can provide you with a template for paycheck stuffers to encourage your employees to participate.


Rent-to-own has always been a family of generosity. Please contribute to the RTO Employees Disaster Relief Fund and encourage your employees to do the same. A small contribution will make a big difference.

For more information, contact Bill Keese at [bkeese@aprovision.org](mailto:bkeese@aprovision.org) or by calling 800/204-2776, ext. 101.



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R	I	J	K	A	P	S	E	S	E	S	E	A	N	T	S	T	I	O	N
T	L	P	E	V	I	C	T	I	O	N	D	A	T	A	I	O	N	T	

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**NEWS BREAK**

ing rate, low transaction fees, competitive prices on quality POS equipment and other services like check guarantee and check conversion services. They will be able to offer a one-stop shop service for our dealers.” Vail says he expects to see a substantial savings within his company using Moneris. “We will be able to save roughly 30 percent from previous years’ charges,” he says. For more information, contact Amir Attaie, Moneris’ national sales manager for the central U.S., at 847/520-6655.

**Rosen returns to Florida State Games**

Brian Rosen has returned to Florida State Games as strategic accounts manager, after being away for about a year. “I felt this was a good move to make,” says Rosen. “Just as in good business practice, it is always good to go back to your roots and revisit what has made you successful. Being back here along-



side Denis Rosen [Brian’s father] is what has done that for me.” Florida State Games is one of the largest video game distributors in the country and a major distributor for Sony, Microsoft and Nintendo.

**Premier’s latest franchise companies expand opportunities**

Premier Rental-Purchase Inc. launched its newest corporation October 6—U-Getcha Cash,

a cash services company that will offer payday loans as its primary product. Franchisees also will be able to offer other products at their discretion, such as check cashing, debit cards, money orders, faxes, copying and tax services. The business objective for U-Getcha Cash is not just to co-brand with current and future Premier Rental purchase dealers, but also to co-brand with other businesses, including other rent-to-own companies throughout the country and will focus on selling free-

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## NEWS BREAK

standing payday loan operations.

"This is an opportunity to offer an additional choice and provide non-traditional cash services to the U.S. consumer," says Tom Wurm, U-Getcha Cash Inc. president. "We offer services that are often more convenient and unavailable through traditional lenders. At U-Getcha Cash, the consumer is able to complete a loan transaction in a fraction of the time it would take at a traditional lending institution."

Trooper Earle, president of the Premier Com-

panies Inc, says U-Getcha Cash is a direct result of dealers' input. "It's because our dealers wanted to try something new; they saw an opportunity in their markets and we are supporting it," says Earle. Premier's business philosophy—to collaborate with dealers and help people take control of their lives—has proven to be successful. Premier's U-Getcha Cash company is the fourth expansion of its franchising organization in two years.

Last year, Premier expanded its franchise services to include Pre-

mier Wheel Rentals, focusing on the growing rental market for custom wheels and tires. In early 2006, it launched Premier Home Furnishings, blending traditional retail and rental into the same location.

Earle attributes this success to Premier's unique approach to the franchising model. "We believe our dealers are business partners," he says. "We have kept our focus on what's best for the dealer, which ultimately benefits the dealers and the franchise. Our goal has been to

find ways to make the dealer successful. Most U.S. franchises develop a market strategy, bottle it up and attempt to sell franchises to investors as a way for them to invest their money. Premier isn't doing that. We are helping entrepreneurs open and own their own businesses."

Premier has grown from four dealers three and half years ago to 30 stores now and Earle expects to be at 40 dealers by 2007. "We have a different franchising model," Earle says. "And it works for us."

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## APRO hires senior editor

Dee Dee Yelverton has joined the Association of Progressive Rental Organizations as senior editor.



Yelverton comes to APRO after nine years with Dell Inc., where she began as a finance account representative and Web site administrator. She advanced to a marketing Web site consultant position and later to managing editor of the

## APRO offers exclusive health insurance program to members

**A**PRO has partnered with Trustmark Affinity Markets and Integrated Insurance to provide an exclusive health insurance program for its members. The program offers discounted rates, group buying power, more than 40 networks of participating doctors and the power of a claims stabilization fund. Any profit from the program will go into this fund and can be used to help stabilize rates in the future. "Because APRO will own this asset fund, the executive committee can vote to use it to offset future rate increases if necessary," says APRO's Executive Director Bill Keese. Member companies will be able to choose from different plans, with deductibles ranging from \$500 to \$2,000.

"Trustmark has been in the association business for more than 50 years," says George Michlec, a Trustmark account executive. "APRO member companies who participate in this program will have dedicated teams to serve them. We have a division that specializes in association business."

Companies with more than 50 employees also will be able to take advantage of customized reporting—a feature that is typically available only to companies with more than 200 employees. Contact Robert (Bob) Scott at [roberts@iirm.com](mailto:roberts@iirm.com) or 309/686-3737 for more information.



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## NEWS BREAK

company's bi-monthly employee magazine.

As a corporate communications senior consultant, she developed communications plans for internal clients, edited and wrote for the company's bi-monthly magazine and weekly electronic newsletter. She also managed special projects, including the award-winning redesign of the employee newsletter, developed executive presentations and communications plans and assisted with the strategic development, communication and implementa-

tion of employee events.

Prior to her association with Dell, Yelverton served as managing editor for the *Texas Food Merchant*, a monthly magazine published by the Texas Food Industry Association. Yelverton attended Texas A&M University where she studied journalism and graduated *summa cum laude* from Park University with a Bachelor of Science degree in social psychology.

In her new position at APRO, Yelverton coordinates APRO's publications, promotional and

educational materials. She also oversees the content of the APRO Web site and APRO's weekly e-newsletter, *RTO Today*, and assists all departments with their communication efforts.

### RAE Award winners inspire

Congratulations to APRO's 2006 Rental Advertising Excellence Award winners, recognized as leaders in rent-to-own advertising. More than 140 entries were received

this year. Each entry was reviewed and judged by Matt Belew from the world-renowned advertising agency GSD&M. Winners received a RAE Award trophy and had their winning entries on display at the APRO 2006 Convention and Buying Show in Orlando.

National studies have shown that the primary source of rent-to-own's image is through advertising. RAE Award judging is based on how well a company or advertising agency presents a positive image for the industry. It also is based

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## 2006 RAE AWARD WINNERS

NOT ALL LEVELS—GOLD, SILVER AND BRONZE—WERE AWARDED FOR BOTH IN-HOUSE AND ADVERTISING AGENCY CATEGORIES

**ONE-PAGE BROCHURE** *In-house:* Baber's (bronze) | *Agency:* Ad Design for American Rentals (silver); and Imagery for National TV & Sales (bronze)

**CATALOG OR BROCHURE** *In-house:* Baber's (silver and bronze) | *Agency:* Imagery for Rent One (gold, silver and bronze)

**IN-STORE SIGNAGE** *In-house:* Furniture and Appliances Now (bronze) | *Agency:* LPI Communications Group for Easy Home (silver)

**OTHER PRINT ITEMS** *Agency:* Ad Design for American Rentals (gold); Razor Competitive Edge for Rent-A-Center (silver); and LPI Communications Group for Easy Home (bronze)

**DIRECT MARKETING** *In-house:* Furniture and Appliances Now (bronze) | *Agency:* LPI Communications Group for Easy Home (gold); Imagery for Partner's, (silver); and Imagery for Kelly Rentals (bronze)

**B/W NEWSPAPER AD** *In-house:* Rent-n-Roll (bronze) | *Agency:* Razor Competitive Edge for Rent-A-Center (bronze)

**COLOR NEWSPAPER AD** *Agency:* Razor Competitive Edge for Rent-A-Center (silver)

**RADIO AD (30-SECOND)** *Agency:* Razor Competitive Edge for Rent-A-Center (silver and bronze)

**RADIO AD (60-SECOND)** *In-house:* Furniture and Appliances Now (bronze) | *Agency:* Razor Competitive Edge for Rent-A-Center (silver)

**TELEVISION AD** *In-house:* Baber's (gold); Rent-n-Roll (silver); Furniture and Appliances Now (bronze) | *Agency:* Razor Competitive Edge for Rent-A-Center (gold and silver); and Red Letter Studios for Rent-n-Roll (bronze)

**SPECIALTY/GIVEAWAY** *In-house:* Rent-n-Roll (bronze) | *Agency:* LPI Communications Group for Easy Home (bronze)

**CREATIVE CAMPAIGN** *In-house:* Furniture and Appliances Now (bronze) | *Agency:* Imagery for Rent One (gold and bronze); and Razor Competitive Edge for Rent-A-Center (silver)

**COMMUNITY RELATIONS** *In-house:* Furniture and Appliances Now (silver) | *Agency:* Razor Competitive Edge for Rent-A-Center (gold and silver); and LPI Communications Group for Easy Home (bronze)

**WEB SITE** *Agency:* Imagery for Rent City (gold); High Touch for M Rentals (silver); and Razor Competitive Edge for Rent-A-Center (bronze)

# THE BEST OF THE BEST

RENTAL ADVERTISING EXCELLENCE AWARDS

Advertising is the primary source of rent-to-own's public perception and, with that in mind, APRO would like to give special recognition to the 2006 Rental Advertising Excellence Award winners for their contributions in helping improve the industry's image. A tremendous amount of effort was involved in rent-to-own advertising this past year and below we highlight some of the most prestigious and comprehensive efforts that received 2006 RAE Awards: creative campaigns, television advertising and charitable campaigns.

**CREATIVE CAMPAIGNS** are challenging to execute successfully. RAE Awards criteria specify that such campaigns must represent comprehensive and unifying advertising themes, slogans and branding rent-to-own dealers communicate through print, radio, television and in-store displays. APRO member Furniture & Appliances Now received the highest honor in the 2006 RAE Awards' Creative Campaign/In-House category for its *2005–06 Winter Catalog*. APRO associate member Imagery Marketing Consultants received the highest honor in the Creative Campaign/Advertising Agency category for its *Great Finds* campaign on behalf of APRO member Rent One.

**TELEVISION ADVERTISING** was another highlight of this year's RAE Awards. Television is the predominant form of advertising shaping the rent-to-own image. Congratulations to Baber's for receiving the gold in the in-house category for its television spot *It's Always Easy*; and to advertising agency Razor Competitive Edge for its winning television commercial, *Electronics Behaving Badly*, on behalf of APRO member Rent-A-Center.

**CHARITABLE CAMPAIGNS.** In shaping the public's perception of rent-to-own, charitable affiliations cannot be overlooked. Results of APRO's rent-to-own surveys continually stress that potential customers would be more likely to use rent-to-own if they knew that the RTO company was involved in a charitable cause. APRO recognizes 2006 RAE Award winner Furniture & Appliances Now for its charitable campaign, *FAN Cares*, and advertising agency Razor Competitive Edge for its charitable campaign with Big Brothers Big Sisters on behalf of Rent-A-Center.



# NOT EVERYONE QUALIFIES FOR AN OPPORTUNITY LIKE THIS.



"It makes more money than all of my domestic franchises put together." Gary Duncan, *Automotive News* - April 17, 2006\*

Between tight margins, high fuel prices and competition from low cost imports, the new car business hasn't had much to celebrate lately. But there are millions of customers who simply need reliable transportation and a way to build or rebuild their credit.

Thanks to one name, what was once an underserved segment is now a dynamic franchise business model that's been proven coast to coast: J.D. Byrider.

We're committed to helping our franchise partners succeed with single stores or multiple locations in exclusive territories while expanding our network of company owned stores. For the right individual, you might be in for the ride of your life.

**For more information go to [jdbyrider.com](http://jdbyrider.com) or call 1-800-947-4532.**

\*At the time of this quote, Gary Duncan owned eight new car dealerships representing fourteen lines of automobiles and ONE J.D. Byrider in the Roanoke Valley. For obvious reasons, he has now opened his second J.D. Byrider.

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## NEWS BREAK

on advertising execution and creativity.

For the past 16 years, APRO has recognized the leaders in rent-to-own advertising. This year's winners highlight excellence and help enhance the public's perception of the rent-to-own industry.

For a complete list of the 2006 RAE Award winners, see page 17.

### Midwest Expo focuses on training

The Ohio Rental Dealers Association board of

directors introduced a new format for its 2006 Midwest Training Expo, held August 8 and 9 in Columbus, and attendees and vendors overwhelmingly approved.

"We didn't want to do a buying show this year," ORDA President Mike Tissot says. "Training employees how to use and sell products has tremendous value and we wanted to bring that to our members." In addition to product training sessions, there were seminars about safety and staffing.

Hometown Rent To Own's Sidney Bur-

ton, president of the Michigan Rental Dealers Association, summed up the 2006 Midwest Training Expo by calling it a "win, win, win" event. Sidney and Grace Burton placed a first-time order with United Furniture after attending United Furniture's training seminar. According to Burton, "We have passed their booth in other shows, have stopped and visited, but have never place an order. Because of the training venue of the Midwest Expo, we were educated on a new manufacturer and that

resulted in our placing an order." Employees from Burtons' rent-to-own store attended the same training seminars and came away with new product knowledge and selling techniques. Burton believes this type of training venue creates longtime sales relationships. "Everyone wins: owners, employees and vendors," says Burton.

More than 100 attendees representing 18 companies attended the expo, which featured approximately 40 vendors representing 27 companies.

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APRO Vendor of the Year—2006

**W**ow, it has really been a great two years. I can best describe the past two years using the words to a new country song on the radio, "Life ain't always beautiful, but it sure is a beautiful ride."

When I started as president, my first board meeting dealt with the largest revenue decrease in the association's history. I found out three days before the meeting that our largest member had resigned, and at the meeting I learned that the second largest dealer was resigning. I clearly remember the resolve of the board to readjust the budget for the association without affecting the

## A beautiful ride

member services and benefits. We were able to do just that and learned how to do what we currently did better. In the next few months, we learned that it would be better to deal with Washington in multiple ways rather than with a single strategy, at the time a very controversial decision. As of this writing, the only viable strategies in Washington are the strategies that came out of that decision. As the months passed, the board figured out how not only to survive as an association, but how to enhance and expand what we had been doing.

We improved our communications, especially on the Internet. We revamped our electronic newsletter and our Web site. We established E-Communities that are really beginning to take off. We improved relationships with vendors. We went after new members more aggressively than ever. We worked with the states, helping existing state associations and revitalizing several languishing groups. When Hurricanes Katrina and Rita struck, we rallied the rent-to-own community and raised money for RTO employees who were affected by the disaster.



By **SHANNON STRUNK**  
APRO's president

When I came on board as president, we suddenly had less to work with, but we learned how to do more with what we had. I will not pretend that it was not occasionally painful. We lost one-third of our revenue overnight. That is a blow to any company and its leadership. What could have killed us did not. Instead, it made us stronger. No one invites adversity, but

when it comes, you get the chance to measure what you are made of. We all learned that this association is full of resilient and resourceful rental dealers. For that, I can only be grateful.

In parting as APRO president, I feel it necessary to give credit where credit is due. The board of directors that you, as members, elect is the finest group of professionals in this industry. They go way beyond what is needed and truly have a desire to improve the association and the industry. Mentioning anyone by name only opens the door for error, but as members, you have really done a fantastic job electing great people to represent you.

The other part of the equation that is equally important is the APRO staff. Personally, I have witnessed sacrifices by each member of the staff for the betterment of the association. This group takes pride in doing not a good job, but a great one. It is no secret that Bill Keese has successfully assimilated a team that reflects who he is and what he represents. When a professional has no desire greater than to serve the people he represents in the best possible way, you end up with another great leader.

From the first meeting as president to the most recent, I have witnessed great men and women in this industry working to preserve the association as "The Voice of the Industry," simply because they believe in APRO, have personally benefited by the association's existence, and, most importantly, want to share the benefits of the association with fellow dealers. I remember the feelings of exclusivity and "good ole boy's club" when I was not on the board. Just as clearly, I remember my feelings changed as I saw board members reaching out to others in the industry and offering to help anyone who expressed an interest in the future of the association or the industry. It was a great experience to witness firsthand the openness and helpfulness of the APRO board members.

I truly hope that the other great men and women who work in this industry will continue to step up and help manage this great association for future generations. ■

*Shannon Strunk is the president of Baber's Inc. in Pascagoula, Mississippi.*

.....  
"I have witnessed great men and women in this industry working to preserve the association as 'The Voice of the Industry.'"

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Works TV'S WHICH HAVE THE GAME INPUT  
BUTTON made by EMERSON after 2001 and  
SYLVANIA or SYMPHONIC after 1997.

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**SHARP**  
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MSRP: \$24.95  
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Requires 2 AA Batteries

Works all the features on any SHARP TV  
Made Since 1988

**Features:** TV/VIDEO, Volume & Channel Cluster  
Allow Navigation Through On-Screen Menu,  
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This is not an original  
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**Hitachi**  
Part Number: MR160  
MSRP: \$24.95  
**Special: \$14.95**  
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Works all the features on any Hitachi TV  
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**Features:** Exit, Sound, PIC, TV, Video Input,  
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Requires 2 AA batteries

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Since 1988

**Features:** TV/VIDEO, PIC Image, Select, Split  
Screen, Guide, Reset, Sleep, MTS, PIP Window,  
Previous Channel, Picture Size, Menu, Auto  
PGM, CBL, Display, ANT.

UPC # 853134001005

Remote Control will not work TV/VCR or  
TV/DVD Combo Units.



This is not an original  
Sony remote

**JVC**  
Part Number: MR140  
MSRP: \$24.95  
**Special: \$14.95**  
Requires 2 AA Batteries

Works all the features on any JVC TV  
Made Since 1988

**Features:** Previous Channel, Volume &  
Channel Cluster Allow Navigation Through  
On-Screen Menus, TV/VIDEO, Exit, Audio,  
Video, PIP Window, Reset, CC, Menu 1 &  
2, Enter, Sleep, Display.

UPC# 853134001036

Remote Control will not work TV/VCR or  
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This is not an original  
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**I** recently took an online test that asked, among other questions, if my job provided me with an opportunity to improve the world. As much as I would like to believe that my life's work was universally important and could accomplish something meaningful—like eliminate world hunger or bring about world peace—I had to answer the question in the negative. And so I did.

However, after several days of pondering the question in the post-response testing deadline world in which I live, I changed my answer. My reassessment is based on the fact that I write a column for every issue of *Progressive Rentals* and

# Making a difference

have done so for 17 years. (In case you are wondering, this is my 103rd column.) I have an opportunity in each of these columns to provide meaningful thought and ideas or highlight meaningful actions. I would like to tell you about a rental dealer and his wife who are providing more than their share of meaning to this world. Their contributions reach beyond the rent-to-own environment and focus on providing educational opportunities for others.

Our founding fathers had the remarkable insight to know that democracy will thrive as a political system when you have an educated population. Because of this, public education has been a consistent theme in American history for more than 200 years and we are all better for it.



**By BILL KEESE**  
*APRO's executive director*

There is, however, a gap in this country when students seek financial help for higher education. Scholarships are more readily available for students who have high academic achievements and whose parents have a low annual family income. It is difficult for the average student to go on with his or her education after high school if the parents do not have the money to pay for continuing education. Many students find themselves in the position that their parents do not make enough to send them to college but make too much for them to qualify for scholarships or loans.

Two years ago, Angie and Kevin Quinn of Quality Rentals created the KLQ Educational

Foundation to provide financial support to deserving young men and women who fall into this gap and have a hard time qualifying for scholarships. In just two years, they have raised close to \$150,000 through contributions, a golf tournament and silent auctions. This year they have awarded \$1,000 scholarships to 14 deserving kids. Seven of these students are second-year recipients of the \$1,000 scholarship. Angie told me that they hope to have these 14 students return next year for scholarships and add an additional seven.

I attended the golf tournament this year and was delighted to see so many APRO members from all over the country attending this event. I also was pleased to see so many of APRO's associate members both sponsoring events at the tournament and having fun playing golf.

All of the events around the tournament were flawless in execution thanks to an army of volunteers from the employees at Kevin's RTO stores. I could see the passion in the faces of all the volunteers and the fun they were having. Angie and Kevin reached out way beyond the rental industry and had the enthusiastic support of dozens from their community in Puyallup, Washington.

I met several scholarship recipients and had a chance to visit with them about their hopes and dreams for the future. They were an impressive group and were genuinely grateful for their educational opportunities.

I want to thank Angie and Kevin for inviting me to attend. More importantly, I want to thank them for stepping up in this life to make a difference for some truly deserving people. They are making a difference and they are changing the world for the better. ■

*Bill Keese's e-mail address is [bkeese@aprovision.org](mailto:bkeese@aprovision.org).*

.....  
**"Angie and Kevin reached out way beyond the rental industry and had the enthusiastic support of dozens from their community."**

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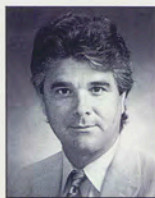
**I**n addition to purporting to represent the best interests of consumers, consumer advocates also look back at their successes from time to time. The National Consumer Law Center has identified three distinct waves of successful consumer advocacy in its publication, *The Practice of Consumer Law: Seeking Economic Justice* (NCLC, 2006). The first was in the early 1900s and resulted in the first food and drug laws. The second was in the 1930s and resulted in the creation of Consumers Union and the expansion of the powers of the Food and Drug Administration.

The third wave was in the 1960s and 1970s and

## The fourth tsunami?

began with President Kennedy's 1962 announcement of a new Consumer's Bill of Rights. Kennedy's council of economic advisors appointed the Consumer Advisory Council. During this period, state attorneys general created consumer protection divisions in their offices and became more active in this area. In 1964, President Lyndon Johnson created a new White House position, Special Assistant for Consumer Affairs.

Congress created the National Highway Traffic Safety Administration in 1966 in response to activist Ralph Nader and his "Raiders" who created Public Interest Research Groups in most states. Congress created the Consumer Product Safety Commission in 1972. Gradually, the impetus for consumer advocacy waned and since the 1970s, the country has seen a move toward deregulation of business, generally thought to disfavor consumers, at least by consumer advocates.



By **ED WINN III**  
APRO's general counsel

In 2006, however, the question can fairly be posed whether the country, after 25 years of quiescent consumer advocacy, is poised on the brink of a fourth wave of consumer activism. High gas prices have led to calls for the government to dictate the kinds of cars Americans drive and the excesses of payday lending have raised the public's awareness of the entire sub-prime lending industry. U.S. Senator Charles Schumer's recent introduction of the *Rent-To-Own Reform Act of 2006* into the Congress may be further evidence of a resurgence of consumer activism. If the Democratic

Party regains control of one or both houses of Congress in November, it is easy to predict yet more advances for the consumer advocacy movement.

The danger of a resurgence of consumer advocacy, generally, for rental dealers is that the RTO industry may get swept up in the larger social debate of how best to protect low-income consumers. By itself, the rent-to-own industry has a compelling story that has been carefully considered—and finally understood and believed by lawmakers in nearly all states. There is no reason to doubt that, if called upon to do so, the industry can once again present its case and persuade lawmakers at any level to treat the industry fairly. And, that is likely what the future holds, whoever is in power in Washington. The difficulty for the industry may be to separate itself from all of the other businesses whose customers are actual or potential RTO customers.

To date, the consumer advocates have been successful in lumping rent-to-own in with the other industries that make up the "fringe banking" world, some of whose actors are far more aggressive than RTO has ever been. It is difficult to imagine some kind of omnibus consumer-protection legislation that reins in the excesses of sub-prime lenders while regulating RTO in ways that render the business unprofitable. But, a fourth tsunami of consumer advocacy that lasts for years and moves the country away from its capitalist entrepreneurial foundations—the professed goal of at least some in the consumer movement—could hurt rent-to-own in ways as yet unforeseen.

Here is a call to arms to rental dealers everywhere. Be alert to what is going on in your world beyond deliveries this month and Saturday night card closes. Learn about who is running the elections and vote for the people who are pro-business and who will help protect your business in particular.

We have pulled together before—not all of us, but enough of us to make the difference. We can surely do so again if the need arises. There are some of us who think that the need may, indeed, arise, and soon. ■

Ed Winn's e-mail address is [edwinn@mwwmlaw.com](mailto:edwinn@mwwmlaw.com).

.....  
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# T

he immense popularity of sports, as shown by the number of loyal fans around the world and the sale of related paraphernalia, demonstrates the power that branding has to tap into the emotions and psyche of people. According to Plunkett Research Ltd.—a leading provider of industry sector research, analysis, trends and statistics—a reasonable estimate of the total U.S. sports market might be \$375 billion to \$425 billion yearly. Advertisers are smart to become interested in a group like this. As the rent-to-own industry matures and companies strive to improve customer satisfaction and profitability amidst increasing competition, more organizations are teaming with sports figures in a new wave of image branding. The rent-to-own industry has several opportunities within this arena: increase name recognition, improve its image and attract potential customers.



BY RICHARD MAY

**W**ith the recent sporting event sponsorships and national advertising tie-ins with famous sports figures, Aaron's Sales and Lease Ownership and Rent-A-Center are attempting to do just this—and are introducing millions of Americans to rent-to-own companies in a manner never before seen.

Will Aaron's affiliation with the National Association for Stock Car Auto Racing (NASCAR) and arena football translate into a new and loyal customer base of its own? Will Dallas Cowboy fans become Rent-A-Center fans? Will their national sports presence raise awareness and improve the image of the rent-to-own industry? Only the market and the future results will truly tell, but preliminary results indicate that it is worth every penny to try.

Sports marketing expert Matt Belew of advertising agency giant GSD&M works with groups such as the National Football League, the National Collegiate Athletic Association and the Professional Golfers Association and says that sports marketing is purely an exercise in company branding. Branding is a long-term campaign designed to permanently brand or leave an image in consumers' minds about a product or a company. Branding is not a short-term advertising campaign to generate immediate traffic. It is a long-term commitment to the future growth of your company.

To date, the current leader in sports

**Above: Members of the Dallas Cowboys at the Oak Cliff Boys @ Girls Club on behalf of Rent-A-Center. Right: NASCAR star Michael Waltrip with Aaron's car commemorating the University of Texas Longhorns' national championship.**

branding for rent-to-own, in terms of number of sponsorships and investment, is Aaron's Sales and Lease Ownership. Aaron's has affiliated itself with NASCAR, arena football, the Atlanta Falcons, bass fishing and many oth-



ers. With each sport, Aaron's positions itself using different branding and advertising strategies to maximize the company's presence and affiliation with the sport.

"Our branding strategies have shown significant growth for our company and our sports branding has been a big part of that growth," says Ken Butler, chief executive officer. "Frankly, we're trying to get a toehold in every community with one of our sports affiliations."

Aaron's uses a form of "sponsorship integration" that markets its product in a non-traditional manner. This strategy has been effective for many advertisers. For example, when Gatorade approached the NFL years ago,

the company offered exclusive access to coolers, cups and towels for every team and every game. Now, every time a viewer sees a running back who just scored a touchdown, saying "hi" to Mom, that viewer sees him tipping his Gatorade cup to the camera and millions of viewers. What kind of exposure do you think Gatorade gets when the coach is shown on highlight reels across the nation being doused with a cooler of Gatorade? Gatorade did not pay for that television time. The cost to Gatorade was only the expense for the products, but the return on that investment is the memory that will remain in people's minds for decades.

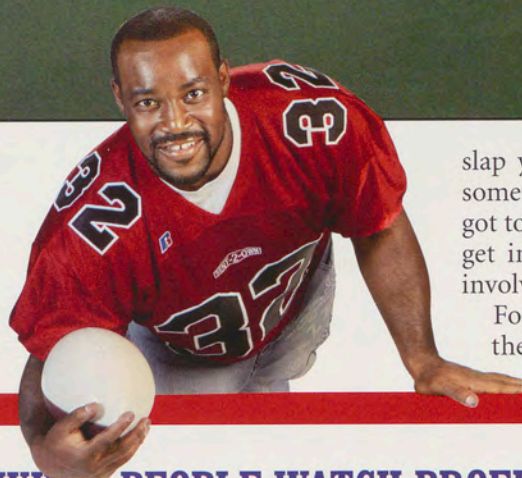
Aaron's is achieving similar exposure through its NASCAR race sponsorship. "When people watch professional car racing, millions of people watch the Aaron's dream machine race around a track for hours," says Butler. "No other sport really does that. It's an ongoing branding commercial with a very loyal fan base. And we think the same loyalty will be transferred to Aaron's."

Butler believes that his company's sports branding has introduced Aaron's to a new group of customers based





Arena Football League's Atlanta Force, with Aaron's name on display on the sidelines. Below: Cincinnati Bengals' star Rudi Johnson, in one of his many poses for Rent2Own's advertising and in-store displays.



slap your name on a team and hope something happens," he says. "You've got to have some fun with it and really get involved and get your employees involved."

For example, when Aaron's first had the opportunity to sponsor NAS-

than expected. The campaign featured Darrell Waltrip and his brother, Michael, in a series of commercials highlighting some brotherly competition and the question of if, or when, Darrell would return to the NASCAR Busch racing series. Waltrip's eventual

**"WHEN PEOPLE WATCH PROFESSIONAL CAR RACING, MILLIONS OF PEOPLE WATCH THE AARON'S DREAM MACHINE RACE AROUND A TRACK FOR HOURS. NO OTHER SPORT REALLY DOES THAT. IT'S AN ONGOING BRANDING COMMERCIAL WITH A VERY LOYAL FAN BASE. AND WE THINK THE SAME LOYALTY WILL BE TRANSFERRED TO AARON'S."**

on the "halo effect." In marketing, the halo effect refers to the perceived positive features of a particular item extending to a broader brand. In other words, think of how the iPod has had a positive effect on perceptions of Apple's other products.

Butler emphasizes that you have to be involved in your sports marketing to maximize the results. "You can't just

CAR star Michael Waltrip's car, Butler thought the car's number could provide another marketing opportunity. So, they picked number 99—to coincide with the company's \$99 monthly big-screen specials Aaron's was promoting at the time.

Aaron's participation in the NASCAR advertising campaign featuring the Waltrip brothers paid off more

decision to return to the Busch series after a 14-year hiatus spawned a frenzy of discussions with race enthusiasts and sports commentators for months. Aaron's reaped the unexpected benefit from the increased exposure.

Aaron's sponsorship of the Arena Football League—and its name placement on the Georgia Force team uniforms—helped introduce Aaron's to

yet another audience. Additional creativity helped the company's branding, name recognition and image even more. The company helped create the Aaron's cheerleading dream team and the Aaron's Lucky Dog mascot, both of which are featured throughout the AFL's Arena Bowl championship game

angler, as are the companies that sponsor her. Already, she has generated more sponsorships than many male counterparts and Aaron's is one of those key sponsors.

"It was a symbiotic deal with Aaron's," says Parker. "Aaron's gets introduced to my industry's audience and

ful branding of "Tiger" John Cleek's rent-to-own company with the local University of Missouri Tigers football team. Every week during the Tigers' football season, Cleek spends hours working with local media and writing predictions for the local team. He then displays these predictions in his store-

**"LOCAL SPORTS AFFILIATIONS CAN BE THE MOST SUCCESSFUL IN TERMS OF COMPARING COSTS VERSUS RETURN. MANY LOCAL SPORTS SPONSORSHIP OPPORTUNITIES ARE NOT EXPENSIVE AT ALL AND ARE HUGELY POPULAR AND SUCCESSFUL FOR THE LOCAL SPONSOR."**

and seen by millions of viewers.

Aaron's recently entered new territory with its sponsorship of professional bass angler Janet Parker. Parker is one of the pioneers of the bass fishing sport that has been dominated by men for decades. Aaron's seized the opportunity once again to be a pioneer in new sports arenas such as women's professional bass fishing. She is one of the first women to be a part of the recently created Bassmaster Women's tour. Parker, who is currently number 36 out of 122 on the national tour, is making a splash as a female pro-bass

to the 80,000 miles a year I drive as a traveling billboard for them."

Parker is referring to her Aaron's-wrapped bass boat that broadcasts Aaron's sponsorship at the many media opportunities professional bass fishing attracts. The traveling Aaron's "billboard" is another example of how Aaron's sponsorship integration propels the Aaron's name in non-traditional methods.

The power of professional sports marketing is a multi-billion-dollar business that attracts worldwide attention, but the same dynamics and the same success easily can be achieved locally. Many smaller rent-to-own dealers have been just as successful sponsoring local college teams, semi-professional leagues or by using national sports figures locally.

"Many towns do not have a professional sports team, so their loyalty is on the local team or favorite sport," says GSD&M's Belew. "Local sports affiliations can be the most successful in terms of comparing costs versus return. Many local sports sponsorship opportunities are not expensive at all and are hugely popular and successful for the local sponsor."

Many APRO members are familiar with the success-

front, a visible sign of the business' community pride. His predictions have become famous and his brand entrenched in the community—a result of local branding that spans three generations over the past four decades.

RTO dealer Mike Tissot scored a touchdown with the successful affiliation between his Ohio-based Rent-2-Own store and Cincinnati Bengals running back Rudi Johnson. When Johnson first became a running back for the Bengals, Tissot helped furnish his home. In return, Johnson lends himself and his likeness to Rent-2-Own's marketing.

Johnson has a presence in every Rent-2-Own store. A six-foot cutout of Johnson features "Rudi's Specials." Alternatively, you can see Johnson featured on RTO TV, broadcast throughout the store. Johnson also is on the radio for Rent-2-Own and there are plans to feature him in the company's upcoming holiday specials.

"Not only did our relationship with Rudi help our image with customers, it was an internal boost, as well," says Tissot. "Employees feel real good talking about their company when it has an association with a professional athlete."

David Moore, Rent-2-Own's advertising manager, attributes the campaign's success to the relationship between Tissot, Johnson and Johnson's publicist. They did not involve any agents, NFL or Bengals logos or trademarks. This kept the relationship sim-



ple and smooth and the costs to a minimum. Karla Welbourne, Johnson's publicist, is currently looking at other APRO member companies throughout the nation to create a similar relationship in other areas.

Chappy's Rent To Own in Anderson, Indiana, also has been successful in its local sports sponsorship. Chappy's has been sponsoring the front-wheel drive division at the local Anderson speedway and racetrack for the past four years. Owner Kenny Chapman is not only a racing fan but also is becoming a local fixture at the racetrack. The announcer likes to broadcast Chapman's presence in the stands for the fans to cheer. Chappy's has its logo on all cars in the division races.

The company also sponsors "Chappy's Night Out" every year and employees hand out tickets to their customers. Chappy's sets up a tent on the track with some of its merchandise for all to see. Chappy's received national industry distinction because of its sponsorships being so prevalent on racing Web sites and in electronic newsletters. Go to any Internet search site for rent-to-own and Chappy's will likely show up prominently throughout the year.

Chapman has fun with the sponsorship and it has paid off. Many of Chappy's customers come from seeing the Chappy's name at the racetracks. Some customers are drivers in the local competition. Chapman, himself, has even raced on one occasion. Chappy's is featured frequently in the local papers and on radio and Chapman is a guest on the local radio race show periodically. Chappy's sponsorship is a perfect example of how to be creative in a sports integration campaign that combines name placement and customer involvement.

Rent-A-Center combines sports marketing and community involvement in its work with the Boys & Girls Clubs of America. The company sponsors sports-themed rooms, donating televisions, DVD players, furniture and computers, to 33 Boys & Girls Club locations in 11 markets across the nation. The rooms

also are furnished with local sports memorabilia reflecting the town's professional teams such as the Dallas Cowboys, Los Angeles Dodgers, Chicago Bulls and San Antonio Spurs.

The Boys & Girls Clubs of America are safe places for children to learn, relax, play games and/or exercise until their parents get off from work. The combination of community involvement and association with the local professional sports team helps Rent-A-Center establish brand recognition within the community. Additionally, the Rent-A-Center rooms, while a charitable donation, also introduce

**"Tiger" John Says:**  
**MISSOURI 35**  
**OVER**  
**TEXAS TECH 31**

Missouri jumped out to a 5-0 start on the year for the first time in 25 years by defeating Colorado 28-13! Even though the Buffaloes had more total yards than we did, our defense stiffened when it counted allowing Colorado to convert only 3 of 12 third downs & none of their 5 fourth down attempts! Our #2 nationally ranked defense will have their toughest test so far this season this Saturday at Texas Tech. The Red Riders are 2nd in the nation passing with over 347 yards per game but little threat to run averaging a meager 85 yards per game rushing. Missouri's ability to not only pass successfully but also to run for 188 yards per contest will help us control the tempo of the game and lessen the effect of an always hostile Texas Tech crowd. While this is officially an away game, 14 of our top 44 players including quarterback Chase Daniel are from Texas & are anxious to impress their old friends & families. This will turn into a real shootout with Missouri outdueling Texas Tech 35-31!

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Rent-A-Center to working parents.

"Sports marketing and sponsorships are some of the most popular ways for companies to promote their brand," says Mary Gazioglu, Rent-A-Center spokesperson. "Sports teams appeal to a variety of people and can often result in new customers."

**F**rom the national chains to the local racetrack, rent-to-own stores are establishing identities, improving their image and creating customer loyalty through successful sports branding partnerships. By current measurements, this looks like a partnership for the future of the rent-to-own industry. Follow these guidelines for a successful sports sponsorship: Do not expect overnight results or immediate sales. They can occur, but sports sponsorships are branding campaigns designed for the

Opposite page: Aaron's AFL Dream Team cheerleaders with the Lucky Dog mascot. This page, top: "Tiger" John Cleek's weekly football forecast. Above: Chappy's Rent-to-Own's Kenny Chapman (left) with his daughter, Courtney, and wife, Terri, offering congratulations to their winning driver (holding trophy).

long-term commitment and execution. Get involved with your sponsorship to maximize the marketing and advertising opportunities your sponsorship provides. Be creative—sports sponsorships can involve games, events, personalities and media-hype. There are many dimensions beyond a sign on the field or a name on a jersey. Finally, do as Kenny Chapman says regarding his sports sponsorship: "We enjoy it. We have fun with it and it's really been good to us." ■

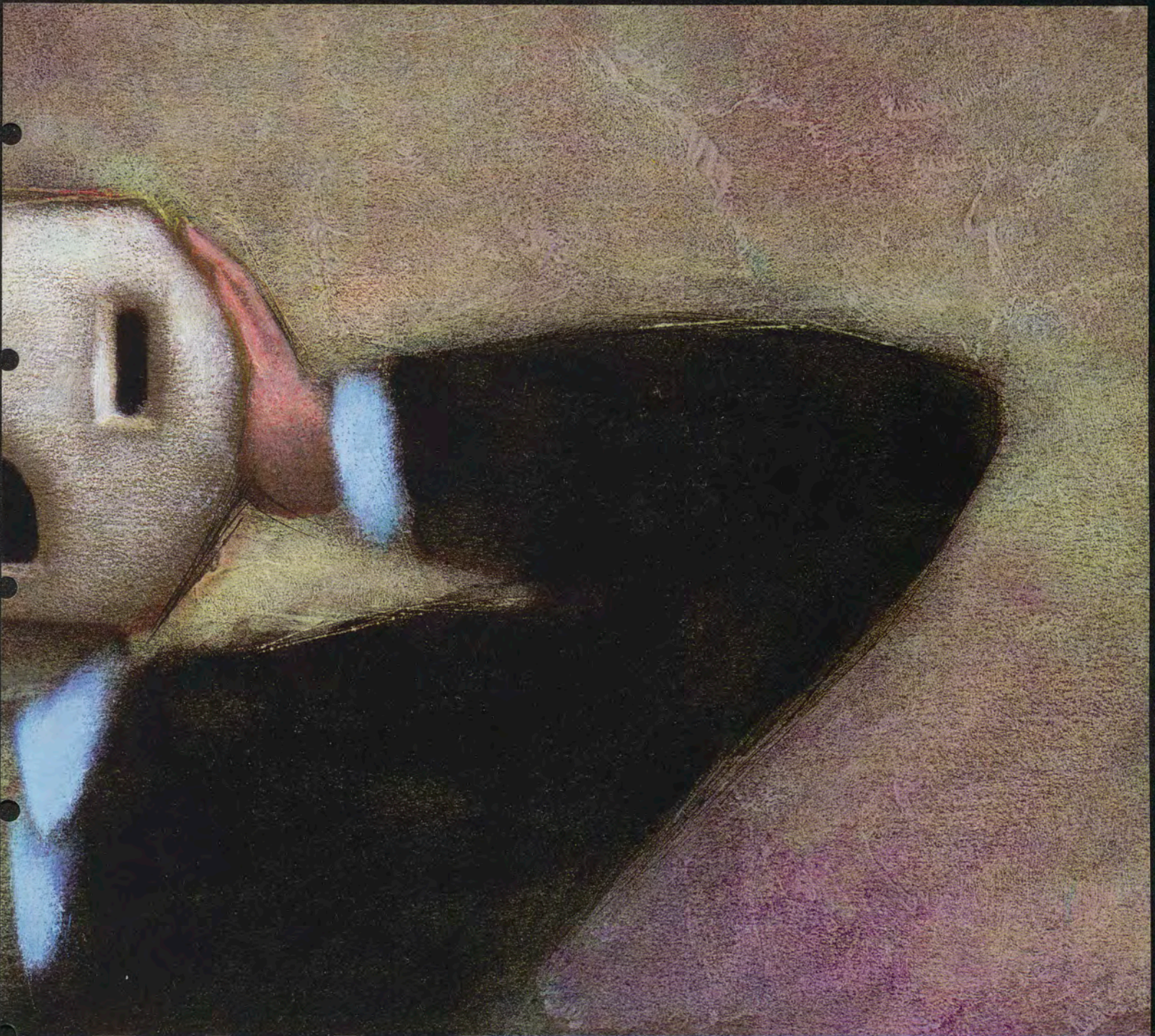
Richard May is APRO's public affairs director.



# PRODUCT

# E

very now and then, catastrophic events occur that involve rental products. Just this year, a rental stove tipped over, scalding a young child with a pot of boiling water. In another case, a rental computer's cord mysteriously caught fire and burned down a house, killing two young children. Though rare, these kinds of events haunt every merchant. When things go badly wrong, injured parties generally sue everyone who is even remotely connected to the incident. If rental property is involved, the rental company will almost certainly be sued as will the rental company's supplier, the manufacturer of the product, the manufacturers of the component parts and possibly others—property owners, homebuilders, electricians, etc. ¶ This article provides a brief summary of one of the legal theories that plaintiffs use in such cases and what rental dealers can do to be as prepared as possible for bad things when they happen.



# LIABILITY

WHEN GOOD RENT-TO-OWN PRODUCTS GO BAD, RENTAL DEALERS ARE OFTEN TARGETED AS LIABLE. **ED WINN III** OFFERS A PRIMER ON PROTECTING YOUR BUSINESS

**S**trict liability in tort is a legal theory that allows a plaintiff to recover damages without having to prove that the defendant did anything wrong. The legal theory was created in the California and New Jersey state courts in the second half of the 20th century and since the 1960s has been adopted as a valid legal theory almost everywhere. Prior to adopting the theory, an injured plaintiff had to prove that the defendant had been negligent in the manufacture or sale of the product that caused the damage or had breached an express or implied warranty that existed on the product.

The economic and social justification for doing away with the need to prove that the defendant is at fault before taking money out of his pocket is this: The plaintiff has suffered some grievous loss. The defendant, usually the manufacturer or the seller (or lessor) of the product, or both, has the ability to pay for the loss and then spread the cost of compensating the plaintiff for the loss among all of the other users of the product—by raising prices to all of the other users. Compensating the plaintiff for his loss by taking a little money from all of the other users of the product lowers the overall cost of the catastrophe to society. The choice is to let the harm lie where it falls—an unfortunate but unavoidable accident that the injured plaintiff must now live with, which was the law until the 1960s, or spread the cost of compensating for the harm by making the defendant pay for the loss, which is the law today.

The notion of spreading the cost of the injury and thereby lessening the cost only works if the marketplace allows the merchants involved to raise prices, which in reality is not always the case. Courts in Massachusetts, North Carolina, Virginia and Michigan have recognized the economic realities of strict liability doctrine and have been slow to adopt this legal theory.

It may not always be possible to know which manufacturer made a specific product or which seller (or lessor) handled it. Think of pipes, or wires or other component parts of a product that are destroyed in an accident or a generic drug that is made by several manufacturers over time. Some courts have been willing to extend the doctrine of strict liability to all manufacturers of the product and make them jointly and severally liable, so that any one company can be made to pay for all of the plaintiff's damages and then seek pro-rata contributions from the competitors. This is what happened in the asbestos litigation.

Strict liability is generally applied to the sale (or lease) of products, as opposed to services, and has been applied to used products as well as new. The product must be "defective" for strict liability to apply. "Defective" does not mean broken under this legal theory. Rather, it means, "in a condition not contemplated by the ultimate consumer." A defective condition can be found in the design, manufacture, installation, delivery or from failure to give adequate warnings or

instructions about the dangers involved in the normal use of the product.

High diving boards have virtually ceased to exist in the country because manufacturers and swimming pool sellers are held strictly liable for any injuries that occur in or around such boards. There is no way to design or install a high dive or adequately warn of its dangers and escape liability.

The tobacco industry has been under attack on strict liability grounds for decades. It has been able to remain in business by making a multi-billion dollar settlement with state attorneys general, who agreed to take the money on behalf of citizen smokers in exchange for the industry's agreement to beef up warnings on cigarette packaging, quit marketing to children and make other changes in business practices.

The gun and alcohol industries are currently under attack in courts around the country on strict liability grounds. Plaintiffs are arguing that these products are inherently dangerous, i.e., "defective," and that the manufacturers and sellers of these products should pay for all damages that are caused as a result of their use.

Plaintiffs must still prove causation in a strict liability lawsuit. Did the "defective" product legally cause the plaintiff's injury or did something else cause it?

Manufacturers and sellers (and lessors) of products are not quite in the position of

guaranteeing that their products will never cause any harm, although the law is moving steadily and insistently in that direction. Manufacturers and sellers (and lessors) are not generally held liable upon proof that the plaintiff's injury was the result of some abnormal, unforeseeable misuse of the product. However, manufacturers and sellers (and lessors) are regularly held liable when a court determines that the way the plaintiff misused a product was foreseeable by the defendant.

This means that the plaintiff's own negligence—the misuse of the product, e.g., using a dryer with the door open to heat a house for an extended period of time, which resulted in a fire—is not a bar to the plaintiff's recovery on strict liability grounds. Some states do recognize comparative negligence principles in strict liability cases so that a plaintiff's misuse may reduce the recovery by the percentage of the plaintiff's fault as determined by the jury, but it will not bar recovery altogether.

So, what is a rental dealer to do? If there is no way to escape exposure for having handled a product that ultimately causes serious injury to some consumer, the only practical answer is to insure, insure, insure. Rental dealers want to carry as much products liability insurance as they can afford.

This movement in the law, such as no-fault insurance and no-fault divorce, is part of the trend to destroy all sense of personal responsibility. In the meantime, as rental dealers trying to provide a service, we must do what we can against the onslaught of this redistributive legal doctrine. ■

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**IF THERE IS NO WAY  
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FOR HAVING HANDLED  
A PRODUCT THAT  
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SOME CONSUMER,  
THE ONLY PRACTICAL  
ANSWER IS TO INSURE,  
INSURE, INSURE.**

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*Ed Winn III is APRO's general counsel. His e-mail address is edwinn@mwvmlaw.com.*

# Thank you!

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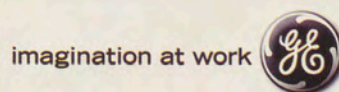
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# REMEMBER

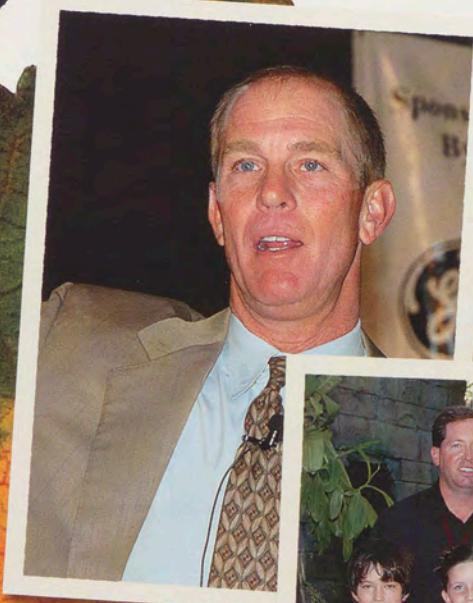
**H**undreds of rent-to-own professionals gathered at the Gaylord Palms Resort and Conference Center in Orlando, Florida for APRO's 2006 Convention and Buying Show, September 21-23. Members enjoyed an exceptional keynote presentation by Steve Ford, the son of former President Gerald Ford, expanded educational seminars, golf, networking and one of the most successful buying shows in the organization's history. Sales of \$14.2 million set a new record for the most purchases made at an APRO show.

## A LOOK BACK *at* APRO'S 2006 CONVENTION *and* BUYING SHOW *in* ORLANDO



# September

By DEE DEE YELVERTON



# APRO 2006: *Highlights*



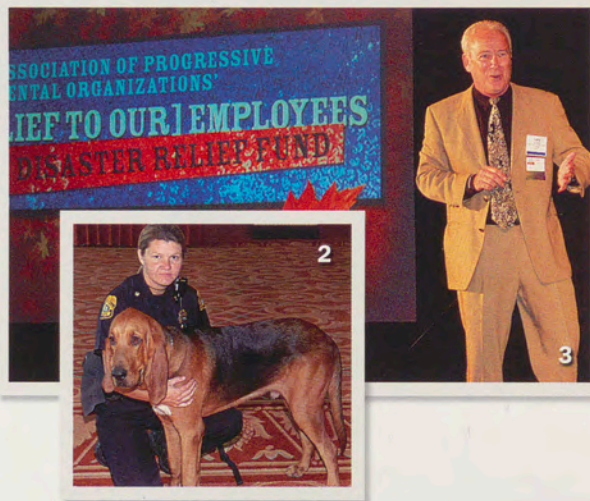
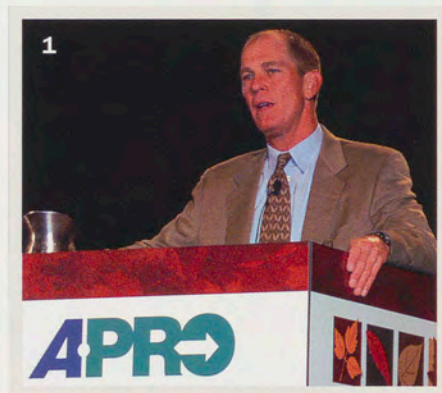
“It was a fantastic show,” says Doug Funk of RSSS. “Rent-to-own dealers really came to buy.” Brian Rosen with Florida State Games also was pleased with the buying show: “We would like to thank APRO for another great show. In the 10 years we have been associated with them, this has been our best show.” Florida State Games sold more than \$1.3 million at the show.

## BUYING SHOW



1. Florida State Games' Brian and Denis Rosen with APRO First Vice President Ernie Lewallen. 2. Exhibitor Joe O'Rourke with dealer John Spangle. 3. Angie Ramel with Gidget Mead of Gidget Mead and Associates. 4. Rimco's exhibitors. 5. Dennis Willich of BrandDirect SW talks with Robert and Lou Briley.

## GENERAL SESSION



1. Keynote speaker Steve Ford recounted his life as an actor and as President Gerald Ford's son with an entertaining and thought-provoking slide presentation and keynote address. 2. Buddy's bloodhounds were on hand, along with representatives addressing the company's support for programs that help find missing children. 3. Larry Sutton gave an impassioned plea for APRO member participation in the RTO Employee Disaster Relief Fund.

## PARTIES



1. Socializing poolside at the Gaylord Palms—the Gala Cocktail Reception. 2. The Welcome Reception, held on the opening night of the convention. 3. The Awards Banquet, capped with the talent and humor of musical encyclopedia John Charles (4).

## Golf tournament winners

The team of James Kale, Lawrence Pividal, Paul Schaller and Sharon Tomaszewski won the Tom Kitchens/Joe Eason Golf Tournament at the 2006 APRO Convention and Buying Show. More than 90 golfers teed off in a shotgun start at the Falcon's Fire Golf Course. What started out as a soggy event ended on a sunny note as the weather cleared to accommodate the golfers. Former APRO President Darrell Tissot of Countryside Rentals organized the event for the 11th consecutive year. APRO thanks Tissot for his leadership and Whirlpool for its continued sponsorship of the golf tournament.

## Employee of the Year: Murray Beck, Rent One

Murray Beck, vice president of Rent One operations, is APRO's 2006 Employee of the Year. Beck is honored among the 50,000 rent-to-own employees throughout the nation for his contributions to his community. Beck is respected and admired by his coworkers, peers and the many people with whom he interacts in his southern Illinois community of Mt. Vernon.



Whether refereeing a game or raising money and awareness for muscular dystrophy or multiple sclerosis, Beck puts 110 percent into his efforts. He recently won tickets to a St. Louis Cardinals game for his fundraising efforts on behalf of the Muscular Dystrophy Association. Instead of using the tickets himself, he donated these back to the charity so that a young man with MS could attend instead.

His efforts not only raise awareness and funds for these important causes, they also serve to showcase Rent One's commitment to community involvement.

Perhaps one of the highest honors a parent can receive is when a child aspires to be just like him. Those who know Beck and his family say that Beck's son, Brian, is his biggest fan, and wants nothing more than to become more like his father. In addition to being named APRO's 2006 Employee of the Year, Beck was recently honored as Rent One's regional manager of the year.

# APRO 2006: *Highlights*

**M**ike Tissot, Countryside Rental, especially liked Ford's presentation. "It was one of the best keynotes in years," he says. Larry Sutton, Rent-n-Roll, agrees. "My membership in APRO has been one of the main reasons for my success," he says. The convention concluded with an awards banquet where guests were treated to the entertainment of John Charles. Join APRO next year at the 2007 Convention and Buying Show, which will be September 24-27 at the Silver Legacy Resort and Casino in Reno, Nevada.

## SOCIAL GATHERINGS



1. At the President's Reception, honoring state presidents, congressional leadership and Team APRO contributors, all those who've attended an APRO Legislative Conference were called forward to be recognized. 2. Geron and Lisa Vail. 3. Susan Matthews, Howard Hambleton, Alan Hunt, Dan Matthews, Craig Kruetzer and Lindsey Semon. 4. APRO staffers Jim Harmon and Cindy Ferguson. 5. Jim Butler and APRO's Ed Winn III. 6. Lyn and Natalie Leach with Brad Denison. 7. Richard and Miriam Eichlin. 8. Newly elected APRO President Larry Carrico, right, with wife, Sharon, and daughter, Kelly.

# Off the wall

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**APRO** Associate Member since 2006

# APRO 2006: *Honoring the finest*

**A**PRO Buddy Awards are presented at the convention every year to outstanding individuals who have raised the level of what can be done to better the industry for everyone. Shannon Strunk, APRO outgoing president, presented this year's Buddy Awards during the banquet. In addition to the Buddy awards, APRO also presented awards to state associations: State Association of the Year: Florida; Most-Improved State Association: Tennessee; State Association Legislative Achievement: California; State Association Continued Excellence: Alabama/Mississippi, Missouri, Ohio and Texas.

## Ernie Talley Lifetime Achievement Award: Larry Sutton, Rent-n-Roll

**T**he 2006 Ernie Talley Lifetime Achievement Award is presented to those individuals in rent-to-own businesses who have dedicated a lifetime to the industry and have served as a role model for others. This year's recipient is a man who has been in the retail and rent-to-own industry since the age of 15. Larry Sutton is one of the most well known names in



the rent-to-own industry and a long-time member and supporter of APRO. Shannon Strunk, APRO immediate past president, describes Sutton as a "heavy lifter." "His entire career has been 'heavy lifting' in one way or another," says Strunk, "first with refrigerators, washers, dryers and console TVs, to, in more recent years, the 'heavy lifting' of fundraising for APRO causes."

Often affectionately known as "The Reverend of Rent-to-Own," Sutton puts his well-known energy and enthusiasm behind everything

he does. Sutton has served on the APRO board of directors, mentored fellow RTO professionals, conducted seminars for APRO and has been a tireless champion and driving force behind the RTO Employees Disaster Relief Fund, established in 2005 in response to the hurricanes that devastated much of the Gulf Coast. In 1998,

Sutton received the APRO President's Award of Excellence and in October 2006, appeared in a four-page spread in the popular automotive lifestyle magazine, *Dub*.

## President's Award of Excellence: Terry Beville, Buddy's Home Furnishings

**O**ne of the highest honors an APRO member can receive is the President's Award of Excellence, which is presented to the person who exemplifies the best in the industry through involvement and support of industry goals. Terry Beville, chief financial officer of Buddy's Home Furnishings in Tampa, Florida, has been selected as the recipient of the 2006 APRO President's Award of Excellence.

"Before Terry went to work for Buddy's, he served on APRO's Tax and Accounting Committee. His efforts resulted in the IRS ruling that the rent-to-own transaction is a lease and not a sale," says Shannon Strunk, APRO immediate past president. "For the past two years, Terry has worked tirelessly improving APRO's annual



statistical survey questionnaire to make it more relevant and easier to use. His efforts were pivotal last year in organizing APRO's RTO Employee Disaster Relief Fund in response to hurricanes Katrina and Rita and he has been a bulldog in convincing the APRO board to make this a permanent member service," Strunk continues.



Members of the Florida Rental Dealers Association receiving the 2006 State Association of the Year award: Larry Sutton, Michael Kent, Jim and Sharon Tomaszewski, Terry Beville, Chris Kale, Mike Rutledge and presenter Ed Winn III.

"The time and effort Terry dedicates to so many aspects of APRO's activities is tremendous," says Bill Keese, APRO's executive director.

### Rental Dealer of the Year: John Spangle, Partner's Rental Purchase

The APRO Rental Dealer of the Year award is presented to an individual who has contributed in a positive and outstanding manner to the rent-to-own industry and to APRO. This year, the award is presented to John Spangle, president of TRIB Group and Partner's Rental Purchase Inc. Spangle is a University of Texas graduate who remains active in his local community, his business and the industry.

Spangle has been a member of APRO for nine years. He is actively involved in the legislative efforts for the rent-to-own industry, both on the federal and state levels, even attend-



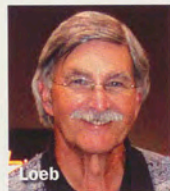
ing the last legislative conference with an exchange student who was staying with his family at the time.

He owns the exclusive franchise rights to the Texas territory for Rent-n-Roll. Spangle's support of APRO and to the industry is invaluable.

### Heritage Award: Chuck Kuluva and Jeff Loeb

Chuck Kuluva of Rental City and Jeff Loeb of RTO Inc. were awarded APRO's 2006 Heritage Award in recognition of their contributions to APRO and the rent-to-own industry.

"Last year, APRO's Heritage Award was initiated to recognize the unsung heroes of our industry—those individuals who contribute greatly but avoid the spotlight," says Shannon Strunk, APRO immediate past president. "This year, two gentlemen



who exemplify the finest of these characteristics—hard working, dedicated individuals who donate their time and talents to the association and our industry anytime the need arises—are receiving this award."

Chuck Kuluva, along with his brother Lynn, own Rental City, with three stores in Kansas and Mis-

souri. "Chuck is a model rental dealer who helps to build an industry while building his company," says Strunk. Kuluva's family has been in the retail and, now RTO, business since 1912 in Kansas City. Kuluva is currently serving his second term as the president of the Missouri Rental Dealers Association. Prior to that, he served as MRDA's secretary/treasurer for four years. Additionally, at a recent Kansas Rental Dealers Association meeting, Kuluva volunteered to serve KRDA as their interim treasurer.

He has supported APRO's legislative conference and has been an APRO member since 1993.

Jeff Loeb, partner and chief financial officer of RTO Inc. has been an APRO member since 1984. After joining the association in May, he attended APRO's convention that summer and has not missed one since. He has been the president of the Virginia Rental Dealers Association since 1987 and is a regular participant in APRO's annual Legislative Conference.

"Jeff is an ideal partner," says APRO board member Richard Rose, who has worked with Loeb since 1984. "I've known Jeff for many years and his dedication to APRO and our

industry is unparalleled."

"Jeff is the quiet kind of guy who gets the job done for his company, his community, his association and his industry," says Strunk.

### Norm Smith Vendor of the Year: Ellison Crider

This award is given to an outstanding associate member who has supported APRO and its activities. This year, APRO recognizes Ellison Crider as its 2006 Norm Smith Vendor of the Year. Crider has been involved in the rent-to-own industry for 25 years—nine years in rent-to-own stores and 16 years as an RTO vendor. Crider is currently general manager of RSSS in Corpus Christi, Texas. He has been a tireless advocate of APRO and the industry, regularly attending annual legislative conferences, conventions and other industry events.

Crider earned his bachelor's and master's degrees from Texas A&M University and currently serves on the national board of directors of the Texas A&M University Alumni



Association. Crider also is the vice chairman of APRO's Vendor Advisory Committee and serves on the APRO board of directors.



# W

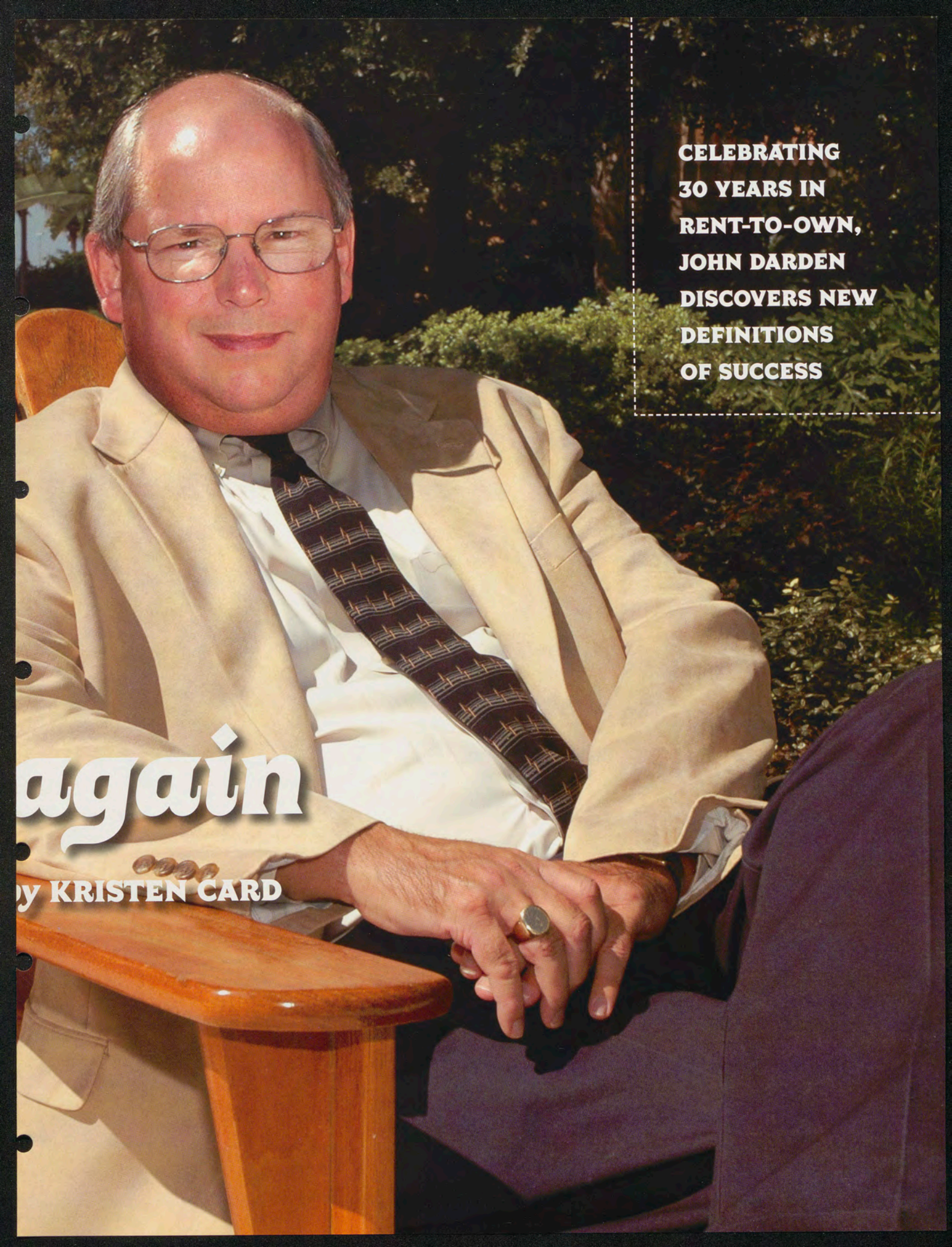
“When I got into the rent-to-own business, my son was just born. I had no job and no insurance,” says John Darden. “We had no electricity in our house; my wife had to take cold showers. We would drive down the road and collect Coke bottles for the deposit money, just so we could make sure we had enough gas in the car to get her to the hospital.”

## Coming around

“There was an ad in the Norfolk [Virginia] newspaper,” he continues. “It was for a company called Remco and the classified ad read ‘Area manager needed’—which was a nice way of saying ‘collector and delivery guy’—‘six days a week, 60 hours a week, \$660 a month.’”

There was no way Darden could have known that by responding to that ad, he was launching a 30-year, roller-coaster ride of a career in rent-to-own. His journey included soul-searching, God-finding, a recurring business relationship with a man named Trooper, and an eventual partnership with his son, Christopher—the same baby whose dad was collecting discarded soda bottles to ensure his safe arrival into the world.

An APROfil

A photograph of a middle-aged man with glasses, wearing a light-colored suit jacket, a white shirt, and a patterned tie. He is sitting in a wooden chair outdoors, with his hands clasped in his lap. The background shows green foliage and trees. The lighting is bright, suggesting a sunny day.

**CELEBRATING  
30 YEARS IN  
RENT-TO-OWN,  
JOHN DARDEN  
DISCOVERS NEW  
DEFINITIONS  
OF SUCCESS**

**again**

by **KRISTEN CARD**

**D**arden, today one of three owners of Charlottesville, Virginia's Premier Rental-Purchase ([www.premierrents.com](http://www.premierrents.com)), is a native Virginian, born in Norfolk to a former police officer and his wife. When Tony Darden left the police force, he went to work as a manager for a company selling sewing machines and vacuum cleaners; Darden often accompanied his father on collection runs.

Darden's brother, Bob, contracted and became disabled by polio as a child, so the family's finances were often stretched by medical costs. While they never went without the essentials, there was little spending money to go around. Darden, a natural optimist, says it taught him

while both he and Willie enhanced my managerial skills. I always recognized this as a customer-service business, but Willie really brought it home for me. He had a real passion for our customers."

About a year-and-a-half later, Talley and Darden decided to launch their own ColorTyme store back home in Virginia. The Darden family settled in Charlottesville and, together with Talley, John and Donna opened their ColorTyme doors for business in August 1980.

"When we came here, people had never heard of rent-to-own before," Darden remembers. "It was truly a family business—my daughter, Jamison, was still in a playpen we had set up in the back room and Christopher would run around the showroom while we unboxed TVs or took care of customers."

It was while Darden and his wife were running their busy lives and fledgling company that Darden experienced a kind of rent-to-own epiphany, an incident that changed his way of thinking about his industry and remains a vivid recollection even now.

"We had a customer who came in to rent a TV from us," recalls Darden. "The way you got to her house was you went down a paved road which became a gravel road which became a dirt road, which eventually turned

into just a path. We went in to deliver this Rutherford console TV to her; and—I remember this like it was this morning—the lady had dirt floors, but everything in the house was spotless. I got down and hooked up the TV for her. They didn't have an antenna, so I got a coat hanger and made a UHF antenna to put on the back of the TV for her and I fine-tuned in cartoons. It was the first time her family had ever seen color TV. I looked at this woman's face and she was crying, she was so happy.

"When I got back into my van, I had left the back door open and I had to 'shoo' out some chickens that had flown

**"I remember praying to God, saying, 'Why did you bring me back to the rental business?' What I realized after a couple of years is, there was a need for the customers to be treated right. That's what we're preaching here—we're really committed to our customers."**

to respect and value what he has.

Darden graduated from high school and married young, to his bride of 31 years now, Donna. A newborn and a newspaper ad later, Darden was working at Remco for a man named Joe Arnett.

"Joe hired me and he's the one who really trained me on the ins and outs of the rent-to-own business as far as sales and credit," says Darden. "I'll always credit him with bringing out a positive attitude in me I didn't know I had until I worked with him."

Darden was with Remco for a couple of years, promoted first to assistant manager of the store, then to store manager. His upward climb suddenly struck a cement ceiling.

"I hit a block," Darden says of his promotion to manager. "I was good at renting and collecting, but I didn't have a clue about managing people. My regional manager at Remco was a yeller and a screamer, and I thought, well, that's all you gotta do to manage people. It didn't work." Darden gives a chagrined chuckle. "I subsequently lost my job at Remco."

Arnett had hired Darden once and he didn't see any reason not to do it again. Willie Talley, vice president of rental operations at Curtis Mathes Corp, had hired Arnett away from Remco to oversee the startup of the company's rent-to-own division. Arnett brought Darden on board in Texas, where Darden began an apprenticeship under Talley.

"Willie and my regional manager, Jerry Linaweaver, are the ones who really taught me about the management and financial parts of the rental-purchase business," says Darden. "Jerry really helped me with the financial part,



Premier Rental-Purchase owner Trooper Earle with John Darden at APRO's 2006 Convention and Buying Show

in. Then I just sat in the van and I said to myself, 'John, if you've ever questioned it before, this proves it. This is truly a customer-service business. Without ColorTyme, these folks wouldn't have anything.' And I've lived by it ever since."

**W**ithin three years, Talley and the Dardens owned three stores and began hiring manager trainees. One of them had the memorable moniker Trooper Earle, and by 1990, the Dardens were selling their trio of stores to ColorTyme corporate. Darden went to work at a ColorTyme location he owned with Earle and Jerry Linaweaver. Later on in the year, Earle bought Darden's and Linaweaver's shares of the deal and became sole owner, with Darden continuing to run the company's operations.

With Darden and Earle at the helm, the company grew to 16 stores within a year, making it among the largest ColorTyme franchises nationwide. Just a few years later, in 1995, unexpectedly, almost inexplicably, Darden decided to take a break from rent-to-own.

"I had a lot of things going on in my life," Darden fumbles vaguely for an explanation. "I had hit a real high career-wise a few years earlier; I had been requested by ColorTyme to teach a class on selling at our national meeting and it was voted the number one seminar of the meeting. I think that is when my 'block' began. I was 42, so I don't know whether it was a mid-life thing or I got physically tired or what. I can't honestly tell you. I just wanted to try something else."

Darden spent the next five years with Trader Publishing Co, a leading publisher of classified advertising, where he achieved an unprecedented profit margin with a new magazine called *Auto Mart*. He also did some soul-searching.

"I started evaluating my life and I recognized what was a real kind of emptiness," says Darden. "A friend of mine called me up one day and invited me to church with him. I started going to church and started a real relationship with the Lord."

So when another call from a friend came in 2000 with a request to return to RTO, Darden accepted, but powwowed with his higher power over what it all meant.

"I remember praying to God, saying, 'Why did you bring me back to the rental business?'" Darden says. "What I realized after a couple of years was that there was a need for the customers to be treated right. That's what we're preaching here. We're really committed to our customers."

The "here" Darden refers to is Premier Rental-Purchase, the store he opened up late last year with a strong sense of familiarity—*déjà vu*, even. Not only does Darden co-own the business with his son, Christopher, and friend and fellow RTO vet-



1. In 1990, with son Christopher, who attended the Virginia Military Institute. 2. Christopher and John Darden, 2006. 3. With wife, Donna, and their two children, Jamison and Christopher, 1987. 4. With Jamison, Donna and Darden's granddaughter, Hayley, 2006. 5. With Trooper Earle at a ColorTyme meeting in 1991. 6. Darden and Mike Hubbard, 2006.



eran Mike Hubbard, but daughter Jamison serves as their banker and the store is a franchise of the firm now owned by Darden's former management trainee, Trooper Earle.

"I see it as God giving me an opportunity to redo some things in my life," says Darden. "Not everybody gets a second chance."

**D**arden can't make it much clearer: At Premier Rental-Purchase, it's all about the customer, a tenet he has held to tightly since he and Donna opened their first family store more than 25 years ago.

"We were pretty innovative," acknowledges Darden. "If somebody was renting a product from us and they had to turn it back in, I didn't care when they came back—it

**"When APRO's up in Washington, D.C., talking with senators or congressmen, it's shining the truth on what we do. APRO puts into the proper context what we do and exposes the untruths often spoken about us."**

could be five years later—if I had something I could give them full credit on, something comparable, then we'd do it. I never want customers to ever feel like they're losing money by doing business with us."

This kind of customer commitment has kept folks coming back to Darden—some of them for decades, some for generations.

"I still have so many customers today that I had in 1980," Darden says. "Some of them still have TVs I sold them in the early eighties, and they say, 'John, you told me this was a good TV and you were right.' Now, I'm helping their children and their grandchildren. It's very gratifying and humbling.

"I've always believed the customers deserve the best quality product we can give them," he says. "Some companies think you shouldn't give customers the good stuff, because it will get beaten up or whatever. I raised my son to believe our customers are entitled to have the same sort of nice stuff we've been blessed enough to have, and our partner, Mike, shares this philosophy, too. Customers respect and appreciate that. And our customers know we're going to take care of them. If you're one day late, we're not out there banging down the door, demanding, 'Where's my product?' We work with our customers."

Darden says the success he and his partners are experiencing with Premier Rental-Purchase as his store approaches its first anniversary is primarily a result of just such customer care. While reluctant to talk too specifically about the company's business model or financial situation, Darden says that what they have accomplished in months rivals what some stores take years to reach. As for future growth, Darden is again rather tight-lipped, but indicates a slow-and-steady approach to success.

"We have a plan; we will be growing," confirms Darden. "We're considering opening up a new store next year, but we're just being very methodical about it. Back in the early days, it was all about grow, grow, grow. There were a lot of heartaches caused by growing too fast. Sometimes, I think we opened new stores before we were ready. It's not just about cash; it's about your mentality, your maturity. We're being very conscious of being proficient at everything we're trying to achieve. We're not doing anything halfway."

Despite its franchise status, Premier Rental-Purchase has an undeniable family feel. It's the only locally owned RTO shop in Charlottesville and likely among the few with direct, 24/7 access to its trio of owners.

"I think being able to go one-on-one with the owners really makes a difference with our customers," Darden says. "Our business cards have our cell-phone numbers on them, so if our customers ever want to reach us, they've got full access. Our pricing and service are our other competitive advantages. We don't say we'll beat anybody's prices; we just don't charge as much as others to begin with. And if we've got to be out there at 10 o'clock at night to fix something, we do it. I can say this with all conviction: Nobody's going to out-service us."

**C**atering to the customer via day-to-day nuts and bolts like attractive pricing and after-hours service is a key element of Darden's vision for success. The foundation of this customer-centric practice is Darden's absolute belief in his industry and the service it provides.

"I've been up and down in this business," concedes Darden. "I've seen it change incredibly, and all for the best. When I first got into the rent-to-own business, sometimes it was taking a real chance to tell people what line of work I was in. But I was proud to be in the rental-purchase industry, because I understood from day one what we were all about and it's really instilled a passion in me. It's truly about giving people the opportunity to get things in life they can't get without us."

Telling that story publicly, Darden says, has been the top priority of the Association of Progressive Rental Organizations (APRO), an organization he has a 15-plus-year history with, and of which he is a current member.

"I love what APRO has done to make the rental industry a real, legitimate part of the business community and of our culture," Darden says. "APRO legitimizes what we do. Having APRO fighting for us gives an independent deal like ours a real voice. When APRO's up in Washington, D.C., talking with senators or congressmen, it's shining the truth on what we do. APRO puts into the proper context what we do and exposes the untruths often spoken about us.

"I've made a lot of mistakes in 30 years, but I've got a lot to be proud of, too," says Darden. "One thing that's



been proven is that if you believe in your business and you're committed to your customers, then nothing else really matters."

**D**arden is a self-described "people person." Once you have talked with this garrulous Virginian, with his easy conversational style and mild Southern accent, you are bound to agree. Just ask what his favorite thing is about his job.

"Lovin' my customers," he replies. "We've watched each others' children grow, we've shared heartache...that's what this business is: It's relationships. Good customer service is going to come back around to you, and eventually, it's going to grow your bottom line. Isn't it incredible that you can have a profitable business and know that you're taking the best care of your customers that you can? Does it get any better than that?"

The only other topic Darden speaks of with such enthusiasm is his family: wife Donna, daughter Jamison and particularly his partnership with son Christopher.

"I remember when I was working with Trader Publishing, I'd go to a lot of car dealers where father and son were in business together," says Darden. "And I remember sitting out in my car one day and saying, 'Lord, I just pray for

the day when I can be in business with Chris.' I prayed for it and now it's happening, and it's just been a blast."

When he is not spending quality time at the store with Chris, Darden spends a lot of family time with his six-year-old granddaughter, Hayley. He also is extremely involved in his church and is active in politics, having successfully managed several campaigns for local politicians.

Darden is acutely aware of the many prayers that have been answered for him over the past three decades. Even though his meager past happened long ago, he continues to live his life and run his business as though it was just yesterday, which is just the way he wants it.

"The ability that I've been blessed with and that has helped me be successful is not forgetting where I came from," Darden says. "I can empathize with customers who are between a rock and a hard place. When it comes down to paying for a refrigerator or buying medicine for their kids, I want them to buy the medicine. They can pay me next week, or next month. I've been there, and I pray I will never lose that sense of understanding." ■

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*Kristen Card is an independent business writer in Austin, Texas.*

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**WHO'S WHO IN**

# Computers

The following is a list of computer suppliers that cater to the rent-to-own industry. All are either APRO associate members (\*), advertisers in APRO publications (+), APRO Buying Show exhibitors (^) or APRO-endorsed member benefit program providers (~).

**COMPUTER HARDWARE**

**BDI Laguna \*\*+**

Contact: Jay Nardone  
 3960 Royal Dr. N.W.  
 Kennesaw, GA 30144-1239  
 678/255-4537; fax 678/255-4580  
 jnardone@esend.com  
 www.bdilaguna.com/rto

**D&H Distributing \*\*+**

Contact: John Alifano  
 2525 N. 7th St.  
 Harrisburg, PA 17110-2511  
 800/340-1007; fax 717/255-7812  
 jalifano@dandh.com  
 www.dandh.com

**Dell Inc. \*\***

Contact: Linda Mosley  
 One Dell Way, MS RR3-44  
 Round Rock, TX 78682-0001  
 512/724-3382; fax 512/283-9568  
 linda\_mosley@dell.com  
 www.dell.com

**Ideal Software Systems Inc. \*\*+**

Contact: Steve Lenhart  
 P.O. Box 3065  
 Meridian, MS 39303-3065  
 601/693-1673, ext. 153; fax 601/693-2302  
 slenhart@ideals.com  
 www.ideals.com

**SED International \*\*+**

Contact: Mike Bertolani  
 4916 N. Royal Atlanta Dr.  
 Tucker, GA 30084-3031  
 770/243-1184; fax 770/493-5682  
 mbertolani@sedintl.com  
 www.sedonline.com

**Vance Baldwin Inc. \*\***

Contact: Robert Coolidge  
 7060 W. State Rd. 84, Ste. 12  
 Davie, FL 33317-7365  
 954/723-9191, ext. 131; fax 800/552-1431  
 robertc@vancebaldwin.com  
 www.vancebaldwin.com

**COMPUTER SOFTWARE**

**ByteSmith Inc. \***

Contact: Paul A. Boucher  
 11104 C St. S.  
 Tacoma, WA 98444-5732  
 253/539-1099; fax 253/539-1045  
 bsi99@bytesmithinc.com  
 www.bytesmithinc.com

**High Touch Inc. \*\*+**

Contact: John Rogers  
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**Ideal Software Systems Inc. \*\*+**

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**Petz Enterprises Inc \*\***

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**Rental Information Systems Inc. \*\*+**

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**RSSS L.P. \*\*+**

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**RTO Pro Software \*+**

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**SED International \*\*+**

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